NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/08)
BUTTER: Grade AA closed at $1.5600. The weekly average for Grade AA is $1.5575 (+.0033).
CHEESE: Barrels closed at $1.5200 and blocks at $1.5800. The weekly average for barrels is $1.5530 (-.0335) and blocks, $1.5950 (-.0225).

BUTTER: Cash butter prices at the CME continue to move higher and lower in a narrow range. Churning activity is seasonally strong from coast to coast. Cream offerings remain surprisingly heavy to local and out of area buyers. Usually by this time of the season, competition is brisk, especially from ice cream producers, but this does not appear to be the case this year. In most instances, churning activity is surpassing demand thus surplus butter volumes are clearing to inventory. Overall butter demand is fair. Retail butter sales are slow unless featured. Food service orders are steady for the spring season.

CHEESE: The cash cheese market is unsettled to weak. Cash cheese prices at the Chicago Mercantile Exchange are declining from the third price peak already in 2005. Current American and cheddar supplies remain tight to short as buyers continue to try to build working inventory and cheddar aging programs. Some buyers are paying extra premiums on American varieties just to acquire needed volumes. Mozzarella offerings are ample. Cheese production is increasing seasonally. Cumulative estimated 2005 cheddar cheese output (unadjusted) totals 453.9 million pounds, 14.2 million pounds (-3.0%) below the first 2 months in 2004 (unadjusted). Total cheese output for 2005 totals 1.463 billion pounds, up 22.7 billion pounds (1.6%) from an unadjusted year ago.

FLUID MILK: Milk production is steady to higher in the Northeast where weather has been cooler than normal. Some areas of New York experienced snow this past weekend. In the Southeast, the milk flow has increased. Some places were feeling the adverse effects of last week's rains. Florida's production has leveled as temperatures reached towards 90 degrees. Milk supplies are better balanced locally and less has to be shipped out of state. Milk supplies are mainly balanced in the Midwest. Class I demand has improved but lags behind pre-break levels. Milk supplies are heavier in the southern tier of states. The spring flush may be past in the Pacific Northwest, following recent patterns of an early, short flush. High cull cow prices are noted in the region as springing heifer prices also move higher. Hay availability is tight with higher prices in the West. In Utah and Idaho, milk output is building seasonally with plants able to handle the volumes. California production continues to mover higher with the biggest gains noted in the Central Valley. The southern producing area is generating volumes above pre-rain levels. Fat and protein levels in milk are declining. New Mexico milk volumes are mostly increasing on a week to week basis, but often lag a year ago.

DRY PRODUCTS: Nonfat dry milk prices are mostly unchanged with a steady to firm market tone. Availability remains tight as producers catch up on past orders while filling current sales. Exports continue to be a factor. Dry buttermilk prices are steady to slightly higher. Production is seasonally active and supplies are more available than in recent weeks with offerings higher in the West. Supplies of dry whey remain tight as prices are steady to higher. Exporting continues to clear whey and new interest is occurring. The whey protein concentrate prices are moving higher in light trading. Production problems are limiting current offerings of 34%. Additional offerings of higher protein powders are competing in this market. Lactose prices are higher as more second quarter contract prices are booked. Supplies are more in balance after being long in the first quarter. Demand is better and lactose is being used for domestic and export sales in place of permeate.

CCC: During the week of April 4 - 8, there was no price support activity.

2004 MAILBOX MILK PRICES SELECTED FEDERAL MILK ORDERS AND CALIFORNIA (AMS & CDFA): For 2004, mailbox prices for selected reporting areas in Federal milk orders averaged $15.90, $3.56 higher than the revised all-area average reported for 2003. The component tests of producer milk in 2004 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices averaged record high levels in 2004 in all areas. Florida had the highest average price in 2004, $18.28; New Mexico had the lowest average, $14.11. During the year, mailbox prices increased from January to record high levels in May or June, then decreased through August, and generally increased through the end of the year. Monthly all-area averages ranged from $13.12 in January to $19.01 in May.

FEBRUARY DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 113.5 million pounds in February, 7.3% above February 2004 (All comparisons are unadjusted for leap year.) but 11.8% below January 2005. American type cheese production totaled 292.4 million pounds, 1.6% below February 2004 and 9.2% below January 2005. Total cheese output (excluding cottage cheese) was 708.1 million pounds, 0.5% above February 2004 but 6.2% below January 2005. Nonfat dry milk production, for human food, totaled 94.3 million pounds, 18.6% below February 2004 but 0.5% above January 2005. Dry whey production, for human food, was 74.2 million pounds, 3.1% below February 2004 and 7.0% below January 2005. Ice cream (hard) production totaled 64.1 million gallons, 2.6% below February 2004 but 6.1% above January 2005.

FEBRUARY FLUID MILK SALES (AMS & CDFA): During February, about 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.2% lower than February 2004. After adjusting for calendar composition, sales in February 2005 were 1.3% lower than February 2004. On an individual product basis, after adjusting for calendar composition, sales of low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from February 2004, while sales of whole milk, flavored whole milk, reduced fat (2%) milk, and buttermilk decreased from a year earlier.

2004 ANNUAL SUMMARY (DAIRY PROGRAMS): The Agriculture Marketing Service, Dairy Programs has compiled the 2004 Annual Summary of Dairy Market Statistics and it is now available on our website. The annual report includes tabular data containing monthly averages for prices reported weekly in *Dairy Market News*. Also included are weekly/daily exchange prices, monthly production data for milk and major manufactured dairy products, fluid milk marketings under federal milk orders weekly government purchases, storage holdings, and other dairy related information. Information can be accessed at the *Dairy Market News* website: **www.ams.usda.gov/dairy/mncs/index.htm** under the bullet point Dairy Market Statistics – Annual Summary – (PDF).

******SPECIAL THIS ISSUE******

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

PRODUCT	MONDAY APRIL 4	TUESDAY APRIL 5	WEDNESDAY APRIL 6	THURSDAY APRIL 7	FRIDAY APRIL 8	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	$1.5850 (-.0100)	$1.5700 (-.0150)	$1.5700 (N.C.)	$1.5200 (-.0500)	$1.5200 (N.C.)	(-.0750)	$1.5530 (-.0335)
40# BLOCKS	$1.6250 (N.C.)	$1.6000 (-.0250)	$1.5900 (-.0100)	$1.5800 (-.0100)	$1.5800 (N.C.)	(-.0450)	$1.5950 (-.0225)
BUTTER GRADE AA	$1.5525 (N.C.)	----	$1.5600 (+.0075)	----	$1.5600 (N.C.)	(+.0075)	$1.5575 (+.0033)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM **NOTE: CME NDM on Page 2.**

CHICAGO MERCANTILE EXCHANGE

MONDAY, APRIL 4, 2005

CHEESE — SALES: 1 CAR BARRELS @ $1.5850; 2 CARS 40# BLOCKS @ $1.6250; BIDS UNFILLED: 1 CAR 40# BLOCKS @ $1.6000; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ $1.6350

BUTTER — SALES: 4 CARS @ $1.5525; BIDS UNFILLED: 8 CARS: 3 @ $1.5525, 1 @ $1.5500, 1 @ $1.5450, 1 @ $1.5425, 2 @ $1.5300; OFFERS UNCOVERED: NONE

TUESDAY, APRIL 5, 2005

CHEESE — SALES: 2 CARS BARRELS: 1 @ $1.5825, 1 @ $1.5800; 5 CARS 40# BLOCKS: 4 @ $1.6250, 1 @ $1.6000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.5700

WEDNESDAY, APRIL 6, 2005

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ $1.5925, 1 @ $1.5900; BIDS UNFILLED: 3 CARS 40# BLOCKS @ $1.5000; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ $1.5925, 1 @ $1.5950, 1 @ $1.6000

BUTTER — SALES: 7 CARS: 2 @ $1.5525, 2 @ $1.5550, 3 @ $1.5600; BIDS UNFILLED: 8 CARS: 2 @ $1.5600, 1 @ $1.5550, 1 @ $1.5525, 1 @ $1.5500, 2 @ $1.5450, 1 @ $1.5425; OFFERS UNCOVERED: NONE

THURSDAY, APRIL 7, 2005

CHEESE — SALES: 2 CARS BARRELS @ $1.5200; 4 CARS 40# BLOCKS @ $1.5800; BIDS UNFILLED: 1 CAR 40# BLOCKS @ $1.5800; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 8, 2005

CHEESE — SALES: NONE; BIDS UNFILLED: 7 CARS 40# BLOCKS: 1 @ $1.5100, 6 @ $1.5000; OFFERS UNCOVERED: NONE

BUTTER — SALES: 21 CARS: 4 @ $1.5650, 16 @ $1.5625, 1 @ $1.5600; BIDS UNFILLED: 6 CARS: 4 @ $1.5600, 2 @ $1.5500; OFFERS UNCOVERED: NONE

CME CASH NONFAT DRY MILK: Extra Grade closed the week at $0.9625 and Grade A at $0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is $0.9625 (+.0015) and Grade A is $0.9825 (+.0015).

BUTTER MARKETS

JANUARY BUTTER PRODUCTION

During February 2005, butter production in the United States totaled 113.5 million pounds, unadjusted for the extra day in 2005, 7.3% more than February 2004, but 11.8% less than January 2005. The following are February to February unadjusted changes for various states: CA +1.0%, NY -26.5%, PA +22.1% and WI +15.7%.

NORTHEAST

The butter market remains unsettled. The cash price at the CME continues to move in a relatively narrow range. Churning activity in the East ranges from moderate to mostly heavy. Excess cream volumes remain surprisingly heavy and clears to Eastern and Midwestern butter makers continues. Bulk and packaged butter stocks are more than adequate to meet current needs. Reports continue to point to large users trying to gather as much as they can for future needs, but demand for current and near-term needs is seldom better than fair. Retail butter sales are slow unless featured. Food service orders are getting back to normal after the Easter weekend. This past weekend's rain and snow storms in the Northeast caused some transportation and delivery problems for both suppliers and distributors early this week. Butter production in the North Atlantic area of the country totaled 11.8 million pounds during February 2005, which compares to 10.5 million pound last February. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

Butter markets remain unsettled as the cash price at the CME declined and recovered a like amount within a week. Producers and handlers indicate that price volatility continues to cause unsettledness. Churning activity is heavier this weekas cream supplies became more available to Central butter producers. Many producers remain quite surprised at the volume of cream that continues to be made available to them. Usually by this time of the season, competition is brisk, especially from ice cream producers, but this does not appear to be the case this year. Churning activity is surpassing demand thus surplus production is clearing to inventory. Overall butter demand is fair at best with some buyers returning to the market following the recent holiday. Some Passover orders continue to be shipped, although for the most part, Passover needs have been fulfilled. Bulk butter for spot sale is being reported in the 2 – 4 cents per pound over various pricing basis.

WEST

Cash butter prices at the CME continue to move both higher and lower in a narrow range. Churning activity remains heavy due to consistently large offerings of cream. This trend would seem to be continuing in the short run. Butter stocks are adequate for any current demand or near term anticipated interest. Retail sales activity is only stimulated by feature activity and those are few and far between since Easter is now past. Food service orders are steady for the spring season. U.S. butter production in February totals 113.5 million pounds, up 7.3% from last year (unadjusted for leap year) but down 11.8% from January. Western region output in February totals 47.6 million pounds, up 4.1% from last year (unadjusted). The West produced about 42% of U.S. butter output in February. CME weekly butter stocks grew by 4.3 million pounds last week to stand at 67.7 million pounds. Last year, week 14 stocks totaled 89.8 million pounds. Bulk butter prices range from flat to 3 1/2 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
APRIL 2	1.4925	1.4955	0.9097	1.5442	0.2518
	7,918,516	11,303,689	17,785,540	4,436,469	12,863,659

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Weekly average prices are sharply higher. The market tone is firm, but the typical uneasiness is noted as prices at the CME get up to or over $1.60. It has been difficult for the market to maintain prices over that figure so far this year. Cheese production in the Northeast is steady at moderate levels. However, more surplus milk is becoming available in the region. Demand for cheese is slow to fair at retail, steady for food service accounts. This past weekend's heavy rains caused some localized flooding which did temporarily delay wholesalers' deliveries in those affected areas. Cheese supplies are reported as tight to adequate on current styles. However, most needs are being met.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6825-2.1975
Cheddar Single Daisies	:	1.6400-2.1150
Cheddar 40# Block	:	1.7575-2.0150
Process 5# Loaf	:	1.7975-2.0025
Process 5# Sliced	:	1.8175-2.0300
Muenster	:	1.8550-2.0575
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is weak. Cash cheese prices on the Chicago Mercantile Exchange are retreating from the recent high, the third price peak already in 2005. The February increase in estimated cheese production, based on an equivalent number of days, provided the industry with the possibility of additional supply increases entering spring and annual peak milk receipts. Cheddar and American offerings remain tight to in close balance. Process movement generally remains steady at lighter winter levels. A few speculate that the growth in sliced natural varieties and/or non-standardized process items may impact overall process interest. Barrel supplies remain snug. Mozzarella offerings exceed demand and additional discounting is needed to clear supplies. Many manufacturers remain hesitant to make spot milk purchases expecting that cheese prices could weaken further, the usual pattern in recent months. Current cheese production is steady to heavier seasonally.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.7875-2.0300
Brick And/Or Muenster 5#	:	2.0400-2.1675
Cheddar 40# Block	:	1.9100-2.2650
Monterey Jack 10#	:	2.1100-2.2650
Blue 5#	:	2.4625-2.7200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9075-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.9000

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
		:	
04/04/05	43,219	:	133,991
03/01/05	34,291	:	124,686
CHANGE	8,928	:	9,305
% CHANGE	26	:	7

WEST

Average weekly cash cheese prices at the CME have increased for the last three weeks. This current week's prices seem to be a bit softer which is surprising some Western contacts. Both buyers and sellers indicate that the market is on the tight side for current cheese and buyers have to make numerous calls to find the cheese they need for current orders. They are not able to shop around, but have to take what they can find, often at a premium to the market. Aging programs, such as they were, have been utilized to fill current orders. Production of natural cheese is increasing seasonally along with the milk supply, but this is generally welcomed. Commercial Disappearance numbers indicate that cheese sales during the winter were excellent. Offerings of mozzarella are heavier and buyers are able to shop for what they need. Swiss stocks seem to be in balance to tight in the West. American cheese production for February totals 292.4 million pounds for the U.S., down 1.6% from last year (unadjusted for leap year) and down 9.2% from January. February Italian type production was up 1.2% and Hispanic output was up 20.9% (unadjusted). American output in the West for February was 143.9 million pounds, down 0.8% from last year (unadjusted). The Western region produces 49% of the American cheese in the U.S. Swiss output in February for the U.S. reached 21.9 million pounds, up 1.4% from last year (unadjusted).

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.7400-1.9975
Cheddar 40# Block	:	1.7375-2.0900
Cheddar 10# Cuts	:	1.9175-2.1375
Monterey Jack 10#	:	1.9275-2.0875
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are unchanged to higher and the market tone is mostly steady. Demand is little changed from previous weeks. Supplies are generally adequate to meet current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-4.6900	1.9975-3.4875*
Gorgonzola	3.6900-5.9400	2.4900-2.5750*
Parmesan (Italy)	TFEWR	3.4125-3.5175*
Romano (Italy)	2.1000-3.1500	-0-
Provolone (Italy)	3.4400-6.0900	2.0000-2.2325*
Romano (Cows Milk)	-0-	3.1925-5.3575*
Sardo Romano (Argentine)	2.8500-3.2900	-0-
Reggianito (Argentine)	2.6900-3.2900	-0-
Jarlsberg-(Brand)	3.1200-4.1500*	-0-
Swiss Cuts Switzerland	-0-	2.4500-2.6500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	TFEWR	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.5600	-0-
Gouda, Large	TFEWR	-0-

* = Price change.

FLUID MILK AND CREAM

EAST

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	136	0	171	0	187
SOUTHEAST STATES	0	0	0	0	0	0

The following are the March 2005 Class and component prices under the Federal Milk Order pricing system: Class II $13.25 (down $.11 from February), Class III $14.08 (down $.62), and Class IV $12.66 (down $0.08). The following are the product price averages used in computing Class prices: butter $1.5549, NDM $0.9083, cheese $1.5061 and dry whey $0.2513. The Class II butterfat price is $1.7349 and the Class III/IV butterfat price is $1.7279. Milk production is steady to occasionally higher in the Northeast where weather has not been very spring-like. Farther south where the weather has warmed up, the milk flow is showing more increases. Florida's milk output has leveled off as the temperatures are increasing into the 80's and 90's. Last weekend's heavy rains in much of the Southeast and up through New England did have an adverse impact on the milk flow. Some localized flooding hampered farm pick-up and transportation schedules in many areas. Also, parts of Western New York experienced heavy snowfalls during the weekend, but these had little effect on milk output and deliveries. Class I milk demand is back to more typical levels following spring breaks, but contacts report that overall Class I sales are just fair. Surplus milk volumes seem to be growing faster than milk production indicates, but that may be more of an indication that cheese plants are taking less milk, which forces more into butter/powder operations. Florida handlers report fairly good demand and fewer loads being shipped out of state. The condensed skim market tone and prices are mostly steady. However, demand does not seem to be increasing at the expected seasonal rates. There are many adjectives to describe the fluid cream market this week and none of them are flattering. Supplies are increasing and demand is not improving as expected. Offerings are burdensome and shipments to butter producers are clearing a very high percentage of the available spot loads. Multiples for Class II sales dropped significantly this week and even they did not stimulate many additional sales. As one contact put it, "the current market situation is one that is typically associated with the year-end holiday period." Suppliers say they cannot find outlets for their excess cream in the East. Reportedly, the churns are full and won't take any additional loads at any price. Cream cheese production is slower than it has been as some producers may have enough on hand to carry them well into summer. It is still puzzling to some why ice cream production has not kicked into high gear. The cool weather is hampering soft serve mix sales, but some contacts feel that the overall economy, specifically the gas prices are having an impact on peoples' shopping/eating habits.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST -	1.8340-1.9894
DELIVERED EQUIVALENT ATLANTA -	1.8650-2.0205 M 1.8961-1.9894
F.O.B. PRODUCING PLANTS: UPPER MIDWEST -	1.8884-1.9583

PRICES OF CONDENSED SKIM, $ PER LB SOLIDS
F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	.9800-1.0100
NORTHEAST- CLASS III - SPOT PRICES -	1.1200-1.1600

MIDWEST

Class I demand has improved though generally remains below pre-spring/holiday break levels. However, a few bottlers noted a surge in demand on Thursday (4/7) after being light earlier in the week. Manufacturing milk demand remains spotty and rather dull. Reported spot manufacturing milk prices range from -$0.75 for a few loads over the weekend to about $1.50 net over class. Milk volumes are not too far from being about in balance. Cream interest continues to lag and offerings remain readily available. Some users are increasing cream imports from other regions of the country but the lead times needed from order to delivery are minimal. Some ice cream producers are boosting production levels while others remain sluggish due to heavy inventory levels. Milk intakes are showing more seasonal increases in southern sections as peak spring production is nearing in some areas. Further north, receipts are uneven, ranging from steady to showing small seasonal increases, perhaps affected by the feed quality problems from first crop hay/haylage last year and the seemingly slow temperature warm up until the past week or so. Fat and protein levels on milk receipts seem lower. Fieldwork is still limited in upper tier of states though some small grains have been seeded on dryer, often sandy locations and in parts of the Dakotas. Most fields remain soft and wet though the frost should be out of the ground. Further South, progress in fields is farther along.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAR 31 – APR 6	PREVIOUS YEAR
SLAUGHTER COWS	$ 55.00- 63.00	$ 48.00- 53.00
REPLACEMENT HEIFER CALVES	$300.00-600.00	$300.00-600.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAR 31 – APR 6	PREVIOUS YEAR
SLAUGHTER COWS	$ 56.00- 66.50	$ 47.00- 55.50

WEST

U.S. projected hay acres for 2005 are 62.9 million up 2% from 2004. Acres and change from last year for selected Western states are as follows: Arizona 280,000, +2%; California 1.6 million, +3%; Colorado 1.6 million, +5%; Idaho 1.45 million, -2%; Nevada 450,000, +7%; New Mexico 330,000, n/c; Oregon 1.13 million, n/c; Utah 720,000 +1%; and Washington 770,000, -3%. The March 4a price (butter/powder) in CALIFORNIA is $12.31, $.15 lower than February and $1.62 lower than last year. This compares to the Federal Order Class IV price for March at $12.66. The March 4b price (cheese) is $13.87, down 6 cents from February and $1.70 lower than last year. This compares to the Federal Order Class III price for March at $14.08. Milk production across CALIFORNIA is trending higher. The effects of the heavy, near record rainfall across the southern area have now become just an unpleasant memory. Milk output is moving higher and creating more than pre-rain supplies. Fat and protein have leveled off and often are declining. Fluid milk orders have yet to regain following down pressure as schools and colleges break. The milk flow in the Central Valley is very strong with some processors seeing 4% to nearly double digit intake growth from a year ago. The additional milk is being processed within normal channels. Some mozzarella cheese producers want some downtime to balance stocks with heavier supplies versus a more limited demand. In the northern producing areas, the milk flow is slowly building seasonally at higher than year ago levels. NEW MEXICO milk output is mostly increasing, but continues to lag behind year ago levels. The percentages are closing, but the effects of the weather over the winter months continue to linger in the herds. Milk is moving normally within the state and nearby outlets. Fat and protein level are normal. CREAM prices are holding mostly steady as the basing point of the CME Grade AA butter market price remains mostly steady on both a trading and weekly average basis. Supplies early in the week are in better balance and not being discounted to move. Volumes moving to churns are about steady. Butter prices at the CME closed at $1.5600 on Wednesday, April 6, unchanged from a week earlier. Ice cream production is expected to increase, especially in California where the two month class fat price for April/May was announced 10.9 cents per pound lower. Multiples are being held at 110 to 124 FOB, and vary depending on basing points and class usage. Conditions remain cool in the PACIFIC NORTHWEST. Some moisture is noted with additional snow at elevation. All this is helping the water supply situation, but it may be too late for much of the upcoming crop year. The Yakima irrigation district has temporarily turned off the water, the earliest ever. They hope that they will be able to restart the system in three weeks. Some contacts in this region believe that the spring flush is past. This has been the pattern for the last few years, an early start to the flush and not holding up for long. High cull cow prices are allowing producers to keep their herds cleaned up. Springing heifer prices are $200 higher at the monthly sale in Toppenish with the range noted at $1975-2525. Demand was good, quality average, and numbers were on the light side. Scattered loads of old crop hay are moving with the quality quite variable. Prices are firm, in the $150-160 range. Scattered rainy conditions are noted in the dairy areas of UTAH and IDAHO. Temperatures remain cool and about normal for early spring. Milk production is increasing seasonally and plants are able to handle the milk flow easily. Manufacturers are happy to get the milk with the current cheese situation as tight as it is. Current cheese offerings are not large enough to take care of orders. Hay supplies are fast cleaning up in the region. The majority of hay left in Idaho appears to be of feeder hay quality. Heifer prices in the region are very firm. The top of the range at the two sales was at $2450 or better. Average prices ranged from $2170-2258. The sale in Utah has never seen prices this high for the average.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are generally unchanged on a steady to firm market. NDM production is increasing in response to seasonal increases in the milk supply coupled with reduced Class I fluid milk interest. While some plants are comfortable in storing additional supplies for potential use this summer, others are beginning to market more NDM on a spot basis for the good interest. Central buyers continue to note shipment delays of Western contractual shipments. Delayed loads are expected to be delivered within May. Some resellers are readily clearing multiple loads to brokers at a slight discount to the average. Brokers are reportedly clearing loads at prices at and above the average. Condensed skim interest remains good.

EAST: The market tone remains firm and prices are unchanged. Some fractional adjustments within the current range were noted. Drying schedules are increasing at more plants as the surplus milk volumes grow along seasonal patterns. The increased output is often low heat and already committed to customers. Production of high heat NDM is lighter than expected as many contacts are surprised by the lack of buying interest for high heat NDM. Condensed skim sales seem to have leveled off this past week. Producer stocks are reported as tight. Those inventories that may be in plant warehouses are usually committed and unavailable for spot sale. Buyers continue to report difficulty finding NDM direct from producers and if orders are accepted, shipments are typically several weeks out. Most spot needs continue to be filled in the resale side of the market.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during February 2005 totaled 94.3 million pounds, down 18.6% from February 2004 (unadjusted for the 2004 leap year) but 0.5% above January 2005. Month ending stocks, at 79.1 million pounds, are 17.0% below a year ago (unadjusted) and 4.3% below last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.9225 - 1.0100	MOSTLY:	.9525 - .9625
HIGH HEAT:	.9575 - 1.0950		

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are mostly steady. The market tone remains firm as supplies are tight in the region. Production runs are heavy, but being handled well by processing plants. Shipments continue to be made to fill past export sales and to help catch up on delayed domestic orders. Historically, the NDM market has not been tight during the flush, milk output period. This year/cycle has been the exception as manufacturers have been able to export excess powder (both NDM and SMP) instead of offering excess powder to the government under the support program. The exporting has been direct with no payments received under the DEIP program. The lack of world supplies, tight protein markets, and the lower value of the U.S. Dollar have created opportunities for exporting to occur. The future potential is unclear, but export orders for coming months have been placed. Current exporting levels have slowed from the peak. Domestic demand from cheese producers is mixed, slower to mozzarella plants. Producers' stocks are light to moderate and mostly committed. Availability of older NDM is limited. High heat prices are unchanged and the market tone is mostly steady. Product is available from most producers with stocks mainly balanced. U.S. NDM production in February totaled 94.3 million pounds, 18.6% lower than last year but 0.5% more than January. February production in the Western region totaled 64.4 million pounds, down 31.1% from last year. California produced 41.6 million pounds, down 29.3% from February 2004. (All February 2004 comparisons are unadjusted for leap day.) U.S. manufacturers' stocks at the end of February were reported at 79.1 million pounds, 17.0% less than last year and 4.3% lower than last month. [Note: NDM statistics may not include skim milk powder (SMP).]

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.8975 - .9750	MOSTLY:	.9150 - .9500
HIGH HEAT:	.9375 - .9800		

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 1	$.8949	8,425,454	0
March 25	$.8928	7,864,191	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Buttermilk prices are higher on a firm market. Despite increased availability of Western buttermilk supplies, buyers in the Central region are acceding to higher prices from Central region producers. Most producers are not aggressively marketing buttermilk. Production is steady to higher in response to increased churn activity. Stocks are adequate for contractual movement and noted as building. Production of dry buttermilk during February 2005 totaled 5.4 million pounds, 3.0% more than February 2004 (unadjusted for the 2004 leap year) but 20.8% below January 2005. Month ending stocks, at 7.6 million pounds, are 44.0% above a year ago (unadjusted) but 30.9% lower than January 2005.

F.O.B. CENTRAL: .9600 - 1.0500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. However, some producers indicate that prices may move up in the near future. Drying schedules are mostly steady, but churning activity remains heavy. The seasonally good demand for liquid buttermilk is helping ease the pressure on dryers. Demand is steady and plant stocks are closely balanced. Dry buttermilk production during February 2005 totaled 5.4 million pounds, up 3.0% from last February (unadjusted for leap year day) but 20.8% less than January 2005. Month ending stocks, at 7.6 million pounds, are up 44.0% from last year but 30.9% less than a month ago.

F.O.B. NORTHEAST:	.9300 - .9700
DELVD SOUTHEAST:	.9600 - .9900

DRY BUTTERMILK - WEST

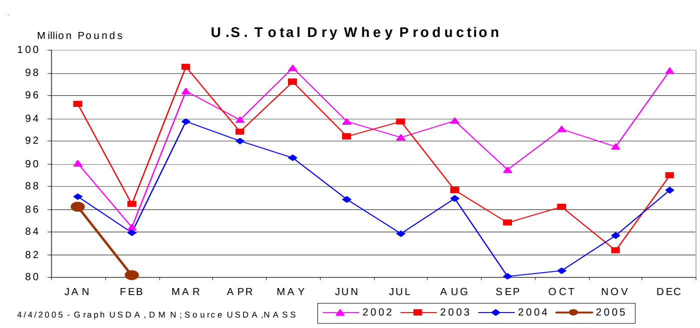
The dry buttermilk market in the West is somewhat unsettled. Prices are mostly steady with only a higher price noted on the top end of the range. Other producers are finding that offering prices are meeting some resistance and they are lowering offering prices to attempt to secure more sales. Production remains seasonally active and condensed sales are slower to develop than most projections had anticipated. The sense that the buttermilk market is being buoyed by higher NDM prices is being debated and tested. Supplies of dry buttermilk are not excessively long but are available from many producers and resellers in the region. U.S. dry buttermilk production in February totaled 5.4 million pounds, up 3.0% from last year (unadjusted for leap day in 2004) but 20.8% lower than January. Stocks at the end of February were 7.6 million pounds, 44.0% higher than a year ago but 30.9% lower than last month.

F.O.B. WEST: .9350 - .9850 MOSTLY: .9500 - .9600

DRY WHOLE MILK - NATIONAL

Prices are unchanged to lower as the recently announced Class IV milk prices moved slightly lower. Prices remain nominal. Production levels and plant stocks are light. Demand is steady to slower, which is typical for this time of year. Dry whole milk production during February 2005 totaled 2.8 million pounds, down 29.0% (unadjusted for leap year day) from February 2004 and 31.5% less than January 2005.

F.O.B. PRODUCING PLANT: 1.2775 - 1.4000



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are generally unchanged on Extra Grade and higher on milk replacer whey. The market tone is steady to firm market. Despite production problems at some locations and increased inquiry for whey, producers are not aggressively pushing prices higher. Trade activity from manufacturers or via the resale market is very light. Some plants are reportedly sold out through May. The undertone for the next month is uncertain with market direction largely dependent upon the amount of stocks held by resellers. Production of HUMAN FOOD, dry whey during February 2005 totaled 74.2 million pounds, 3.1% less than February 2004 (unadjusted for the 2004 leap year) and 7.0% below January 2005. Month ending stocks, at 36.4 million pounds, are 11.4% above a year ago (unadjusted) but 4.1% less than January 2005. Production of ANIMAL, dry whey during February 2005 totaled 6.0 million pounds, 18.0% less than February 2004 (unadjusted for the 2004 leap year) and 6.5% below January 2005. Month ending stocks, at 3.8 million pounds, are 33.7% lower (unadjusted) than year ago but 4.1% higher than January 2005.

F.O.B. CENTRAL: .2475 - .2675 MOSTLY: .2475 - .2525
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2200 - .2400

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices moved fractionally higher again this week. The market tone is a little firmer. The recent price increases have spurred some buyers to return to the market before prices move any higher, if they continue to increase. Production levels are mostly steady and Eastern producers' stocks range from sold out to barely adequate. Most buyers are clearing their output via contracts and have little available for spot sale. Others do have a few loads to offer and they are easily cleared at regular premiums. Export sales continue to move a fair amount of product. Production of human food, dry whey during February totaled 74.2 million pounds, 3.1% less (unadjusted for leap year day) than February 2004 and 7.0% less than January 2005. Month ending stocks, at 36.4 million pounds, are 11.4% above last year but 4.1% less than a month ago. Production of animal feed, dry whey during February totaled 6.0 million pounds compared to 7.3 million pounds in February 2004.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2550 - .2700
DELVD SOUTHEAST: .2750 - .2925

DRY WHEY – WEST

Prices range from steady to fractionally higher for Western whey powder. Both export and domestic sales continue at good levels. Production is increasing slowly as milk supplies increase. The market undertone remains firm. There continues to be only limited competition from other countries in the world with whey offers. Dry whey production for human food in February totals 74.2 million pounds for the U.S., down 3.1% from last year unadjusted for the leap year in 2004. Stocks at the end of the month are 36.4 million pounds, up 11.4% from last year. The Western region produced 21.3 million pounds in February, up 0.8% from a year ago (unadjusted). The West produced about 29% of the whey in the U.S. in February.

NONHYGROSCOPIC: .2700 - .2900 MOSTLY: .2700 - .2825

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a firm market. Trade activity, direct from the manufacturer or via resale markets, is very light. Production is steady to slightly lower in response to production problems at some locations. As a result, some shipments of WPC 34% are being shorted or delayed. WPC 80% is becoming more competitive with WPC 34% as a result of increased WPC 80% production and noted offerings of WPC 80% from Oceania. Off grade supplies are short of buyer interest. Production of HUMAN FOOD WPC during February 2005 totaled 23.3 million pounds, 1.5% lower from February 2004 (unadjusted for the 2004 leap year) and 5.0% below January 2005. Manufacturers' end-of-month stocks totaled 21.9 million pounds, 5.2% lower than a year ago (unadjusted) and 10.9% below last month. Production of ANIMAL FEED WPC during February 2005 totaled 4.0 million pounds, up 13.4% (unadjusted for the 2004 leap year) from February 2004 but 10.3% below January 2005. Manufacturers' end-of-month stocks totaled 1.7 million pounds, 52.6% (unadjusted) below last year and 32.0% lower than last month

F.O.B. EXTRA GRADE 34% PROTEIN: .7950 - .8600 MOSTLY: .7950 - .8250

LACTOSE - CENTRAL AND WEST

Prices are higher on a mostly steady market. Most second quarter contracts are finalized at prices comparable to or slightly higher than first quarter. Supplies are in better balance with less discounting noted. Increased marketability is reportedly due to export and domestic interest for lactose as a substitute to dry permeate into animal feed facilities. Supplies of lower 30-40 mesh product remain more available than the higher 80-100 mesh product. Lactose production during February 2005 totaled 52.7 million pounds, up 2.8% from February 2004 (unadjusted for the 2004 leap year) but 6.0% lower than January 2005. Month ending stocks, at 65.6 million pounds, are 38.8% higher (uadjusted) than a year ago but 11.0% below last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
F.O.B. EDIBLE: .1700 - .2100 MOSTLY: .1700 - .1900

CASEIN – NATIONAL

Casein markets remain firm with prices generally higher, although one supplier is holding first quarter pricing. Stocks are not in any better position than they have been in recent weeks. Production in Oceania has now basically ended for the season and European output is just getting underway. European producers remain optimistic about the upcoming season and indicate that early indications are favorable. The Kansas City Commodity office announced that 4,080,107 pounds of government owned nonfat dry milk have been sold to the trade for the production of casein/caseinate at $0.5050 per pound. This sale brings the total powder sold for this purpose, since June 2002, to nearly 54.8 million pounds with prices ranging $0.2200 - $0.5325 per pound.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2700 - 3.4500
ACID: 3.2700 - 3.4000

EVAPORATED MILK – NATIONAL

Prices and the market tone are little changed. Production patterns are mostly steady, but more surplus milk is now available in most parts of the country. Some producers are able to buy extra "attractively" priced milk and replenish inventories. Demand is seasonally slow to fair. However, the market does remain highly competitive. Canned evaporated milk production during February 2005 totaled 33.4 million pounds, 13.1% less (unadjusted for leap year day) than February 2004 and 20.4% less than January 2005. Month ending stocks, at 40.5 million pounds, are 11.2% below a year ago and 12.3% less than last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $22.00 - 30.00
Excluding promotional and other sales allowances. Included new price announcements.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, 2004 ANNUAL AVERAGES, WITH COMPARISONS

For 2004, mailbox prices for selected reporting areas in Federal milk orders averaged $15.90 per cwt., $3.56 higher than the revised all-area average reported for 2003. The component tests of producer milk in 2004 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices averaged record high levels in 2004 in all areas. Florida had the highest average price in 2004, $18.28; New Mexico had the lowest average, $14.11. During the year, mailbox prices increased from January to record high levels in May or June, then decreased through August, and generally increased through the end of the year. Monthly all-area averages ranged from $13.12 in January to $19.01 in May.

Reporting Area 1/	Mailbox Milk Price 2/ 3/		
	2003	2004	Change 2004 from 2003
	Dollars per cwt.		
Northeast Federal Milk Order	12.48	16.29	+3.81
Appalachian States 4/	12.77	16.21	+3.44
Southeast States 5/	13.36	16.79	+3.43
Southern Missouri 6/	12.20	15.69	+3.49
Florida	14.97	18.28	+3.31
Ohio	12.29	15.92	+3.63
Indiana	---	16.03	---
Michigan	12.07	15.58	+3.51
Wisconsin	12.56	16.57	+4.01
Minnesota	12.62	16.30	+3.68
Iowa	12.48	16.06	+3.58
Illinois	12.42	16.14	+3.72
Corn Belt States 7/	11.81	14.79	+2.98
Western Texas 8/	11.99	15.19	+3.20
New Mexico	11.13	14.11	+2.98
Northwest States 9/	11.33	14.72	+3.39
All Federal Order Areas 10/	12.34	15.90	+3.56
California 11/	11.48	14.76	+3.28

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ All figures, except California, are weighted annual averages using the applicable monthly prices and producer milk receipts for the respective area or group of areas for which the price is reported. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 7/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Includes Oregon and Washington. 10/ Weighted average of the information for all selected reporting areas in Federal milk orders. Figure for the previous year has been revised to exclude prices for Idaho and Utah which no longer are being reported. 11/ Calculated by California Department of Food and Agriculture, and published in “California Dairy Information Bulletin.” Annual average is the simple average of monthly prices.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MARCH

Component Price Information: Under the Federal milk order pricing system, the butterfat price for March 2005 is $1.7279 per pound. Thus, the Class II butterfat price is $1.7349. The protein and other solids prices for March are $2.5019 and $0.0951 per pound, respectively. These component prices set the Class III skim milk price at $8.32 per cwt. The March Class IV skim milk price is $6.85 which is derived from the nonfat solids price of $0.7606 per pound. **Product Price Averages:** The product price averages for March are; butter $1.5549, nonfat dry milk $0.9083, cheese $1.5061, and dry whey $0.2513.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/

FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	MARCH 2005				APRIL 2005
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	18.68	13.25	14.08	12.66	17.38
Appalachian (Charlotte) 5/	005	18.53	13.25	14.08	12.66	17.23
Southeast (Atlanta) 6/	007	18.53	13.25	14.08	12.66	17.23
Florida (Tampa) 7/	006	19.43	13.25	14.08	12.66	18.13
Mideast (Cleveland) 8/	033	17.43	13.25	14.08	12.66	16.13
Upper Midwest (Chicago) 9/	030	17.23	13.25	14.08	12.66	15.93
Central (Kansas City) 10/	032	17.43	13.25	14.08	12.66	16.13
Southwest (Dallas) 11/	126	18.43	13.25	14.08	12.66	17.13
Arizona-Las Vegas (Phoenix) 12/	131	17.78	13.25	14.08	12.66	16.48
Pacific Northwest (Seattle) 13/	124	17.33	13.25	14.08	12.66	16.03
All-Market Average	---	18.08	13.25	14.08	12.66	16.78

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.
2/ Note: The mandatory $0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.
3/ Names in parentheses are the major city in the principal pricing point of the market.
4/ Class I prices at other cities are: New York City, minus $0.10; Philadelphia, minus $0.20; Baltimore, minus $0.25; and Washington, DC, minus $0.25.
5/ Class I prices at other cities are: Knoxville, minus $0.30 and Louisville, minus $0.90.
6/ Class I prices at other cities are: New Orleans; plus $0.50; Memphis, minus $0.30; Nashville, minus $0.50; and Springfield, Mo., minus $0.90.
7/ Class I prices at other cities are: Orlando, same; Miami, plus $0.30; and Jacksonville, minus $0.30.
8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus $0.20; Pittsburgh, plus $0.10; and Detroit, minus $0.20.
9/ Class I prices at other cities are: Milwaukee, minus $0.05; and Minneapolis, minus $0.10.
10/ Class I prices at other cities are: Des Moines, minus $0.20; Omaha, minus $0.15; Oklahoma City, plus $0.60; St. Louis, same; and Denver, plus $0.55.
11/ Class I prices at other cities are: Houston, plus $0.60; San Antonio, plus $0.45; Albuquerque, minus $0.65; and El Paso, minus $0.75.
12/ Class I price at Las Vegas is minus $0.35.
13/ Class I prices at other cities are: Portland, same; and Spokane, same.

FEBRUARY 2005 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 113.5 million pounds in February, 7.3 percent above February 2004 (All comparisons are unadjusted for leap year.) but 11.8 percent below January 2005. **AMERICAN TYPE CHEESE** production totaled 292.4 million pounds, 1.6 percent below February 2004 and 9.2 percent below January 2005. **TOTAL CHEESE** output (excluding cottage cheese) was 708.1 million pounds, 0.5 percent above February 2004 but 6.2 percent below January 2005. **NONFAT DRY MILK** production, for human food, totaled 94.3 million pounds, 18.6 percent below February 2004 but 0.5 percent above January 2005. **DRY WHEY** production, for human food, was 74.2 million pounds, 3.1 percent below February 2004 and 7.0 percent below January 2005. **ICE CREAM** (hard) production totaled 64.1 million gallons, 2.6 percent below February 2004 but 6.1 percent above January 2005.

PRODUCTION OF DAIRY PRODUCTS

PRODUCT	FEB 2005	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2004	JAN 2005	YEAR TO DATE 1/
BUTTER	113,498	7.3	-11.8	1.9
CHEESE				
AMERICAN TYPES 2/	292,386	-1.6	-9.2	-0.7
CHEDDAR	216,409	-3.1	-8.9	-3.0
SWISS	21,811	1.4	-6.1	---
BRICK & MUENSTER	5,240	-4.0	-7.2	---
CREAM & NEUFCHATEL	52,020	5.8	6.7	---
HISPANIC	13,204	20.9	3.9	---
MOZZARELLA	240,127	---	-4.5	1.4
OTHER ITALIAN TYPES	62,885	5.7	-4.4	5.6
TOTAL ITALIAN TYPES	303,012	1.2	-4.5	2.3
ALL OTHER TYPES	20,373	-0.2	-18.2	---
TOTAL	708,116	0.5	-6.2	1.6
COTTAGE CHEESE, CURD 3/	34,011	-6.1	-4.8	---
COTTAGE CHEESE, CREAM 4/	27,913	-8.9	-5.4	-8.2
COTTAGE CHEESE, LOWFAT 5/	30,454	-0.4	3.3	-4.0
CANNED EVAPORATED & CONDENSED				
WHOLE MILK	33,363	-13.1	-20.4	---
DRY WHOLE MILK	2,820	-29.0	-31.5	---
NONFAT DRY MILK, HUMAN FOOD	94,266	-18.6	0.5	-20.4
DRY SKIM MILK, ANIMAL FEED	405	24.6	5.7	---
DRY BUTTERMILK	5,446	3.0	-20.8	---

PRODUCT	FEB 2005	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2004	JAN 2005	YEAR TO DATE 1/
SOUR CREAM	73,297	0.7	-4.7	
YOGURT (PLAIN AND FLAVORED)	237,710	13.3	6.5	---
CONDENSED WHEY, SOLIDS CONTENT 6/				
SWEET-TYPE, HUMAN FOOD	5,297	-35.3	-16.2	---
DRY WHEY PRODUCTS				
DRY WHEY, HUMAN FOOD	74,231	-3.1	-7.0	---
DRY WHEY, ANIMAL FEED	5,965	-18.0	-6.5	---
DRY WHEY, TOTAL	80,196	-4.4	-7.0	-2.7
REDUCED LACTOSE AND MINERALS				
HUMAN FOOD	3,559	12.2	-17.3	---
ANIMAL FEED	3,810	2.7	-6.0	
LACTOSE, HUMAN FOOD & ANIMAL FEED	52,719	2.8	-6.0	---
WHEY PROTEIN CONCENTRATE				
HUMAN FOOD 7/	23,301	-1.5	-5.0	---
ANIMAL FEED 7/	3,961	13.4	-10.3	---
FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
ICE CREAM (HARD)	64,100	-2.6	6.1	-0.3
ICE CREAM, LOWFAT (HARD)	8,154	-0.7	5.8	---
ICE CREAM, LOWFAT (SOFT)	19,828	6.5	2.3	---
ICE CREAM, LOWFAT (TOTAL)	27,982	4.3	3.3	4.3
SHERBET (HARD)	4,083	2.8	-2.6	7.0
YOGURT (TOTAL)	4,520	-9.1	5.1	-5.9

MANUFACTURERS' STOCKS, END OF MONTH 8/

PRODUCT	FEB 2005	PERCENT OF:	
	1,000 LBS.	FEB 2004	JAN 2005
DRY WHEY PRODUCTS			
DRY WHEY, HUMAN FOOD	36,368	11.4	-4.1
DRY WHEY, ANIMAL FEED	3,846	-33.7	4.1
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	4,917	-30.2	2.1
LACTOSE, HUMAN FOOD & ANIMAL FEED	65,590	38.8	-11.0
DRY BUTTERMILK, TOTAL	7,597	44.0	-30.9

PRODUCT	FEB 2005	PERCENT OF:	
	1,000 LBS.	FEB 2004	JAN 2005
WHEY PROTEIN CONCENTRATE			
HUMAN FOOD	21,930	-5.2	-10.9
ANIMAL FEED	1,709	-52.6	-32.0
CANNED EVAPORATED & CONDENSED WHOLE MILK	40,512	-11.2	-12.6
NONFAT DRY MILK FOR HUMAN FOOD	79,050	-17.0	-4.3

1/ 2005 cumulative as percent change of 2004 cumulative. 2/ Includes Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. Does not include sweet-type, animal whey. 7/ Whey Protein Concentrate, 25.0 to 89.9 percent. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (4-05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEBRUARY FLUID MILK SALES

During February, about 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.2 percent lower than February 2004. After adjusting for calendar composition, sales in February 2005 were 1.3 percent lower than February 2004. On an individual product basis, after adjusting for calendar composition, sales of low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from February 2004, while sales of whole milk, flavored whole milk, reduced fat (2%) milk, and buttermilk decreased from a year earlier.

Editor's Note: Additional data can be found at **http://www.ams.usda.gov/dyfmos/mib/in-areasales.htm**

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, FEBRUARY 2005, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	February	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,331	2,819	-6.1	-6.4
Flavored Whole Milk	58	121	-18.7	-24.5
Reduced Fat Milk (2%)	1,358	2,880	-1.8	-1.9
Low Fat Milk (1%)	496	1,056	-0.2	0.9
Fat-Free Milk (Skim)	623	1,314	0.7	1.2
Flavored Fat-Reduced Milk	338	684	9.5	10.0
Buttermilk	41	84	-4.7	-5.3
Total Fluid Milk Products 3/	4,258	8,983	-2.2	-2.3
Total Fluid Milk Products Adjusted 3/ 4/	4,258	9,045	-1.3	-0.4

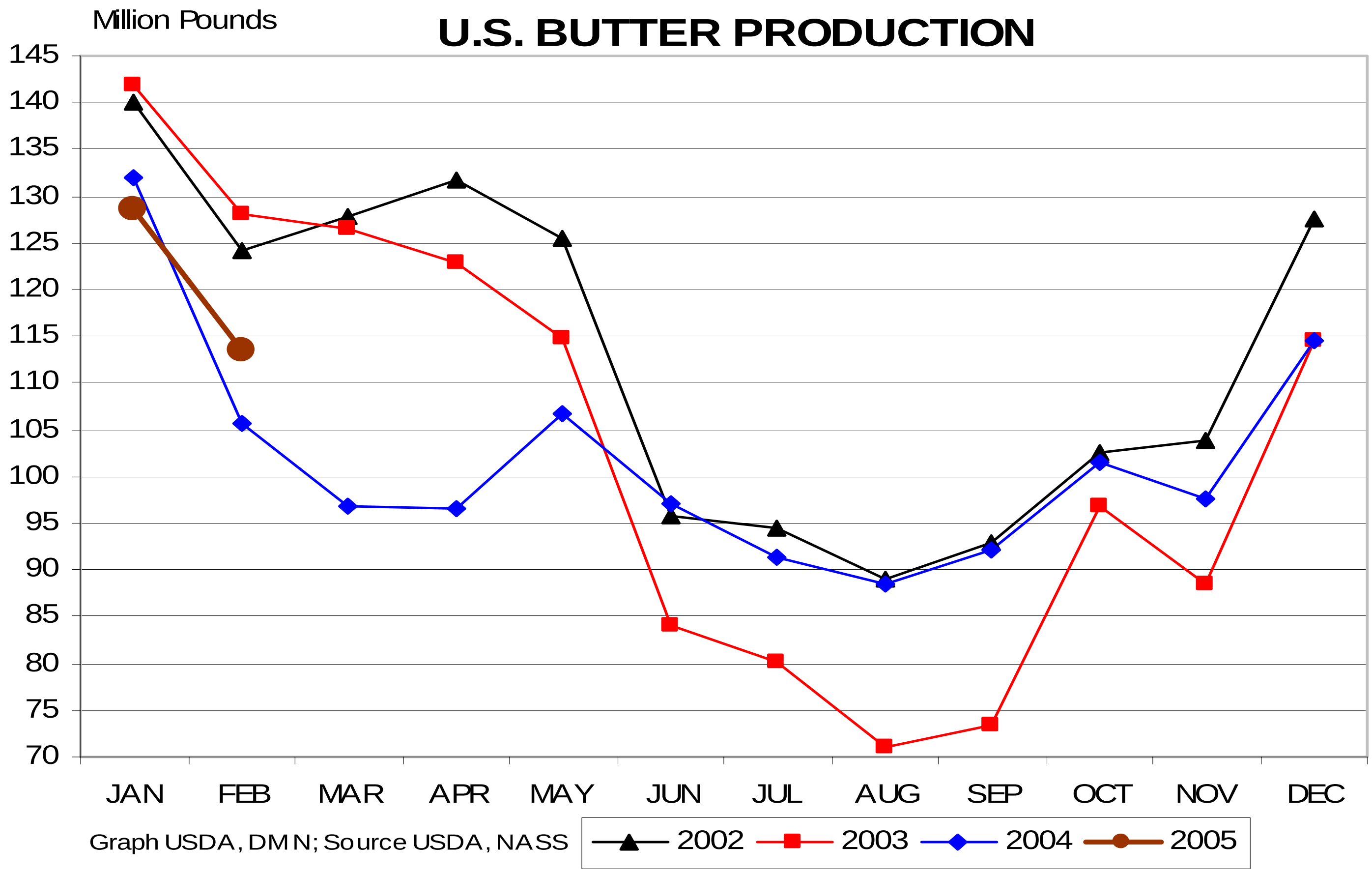
1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see 4/. 3/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 4/ Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/dyfmos/mib/clndr_comp_rpt.pdf

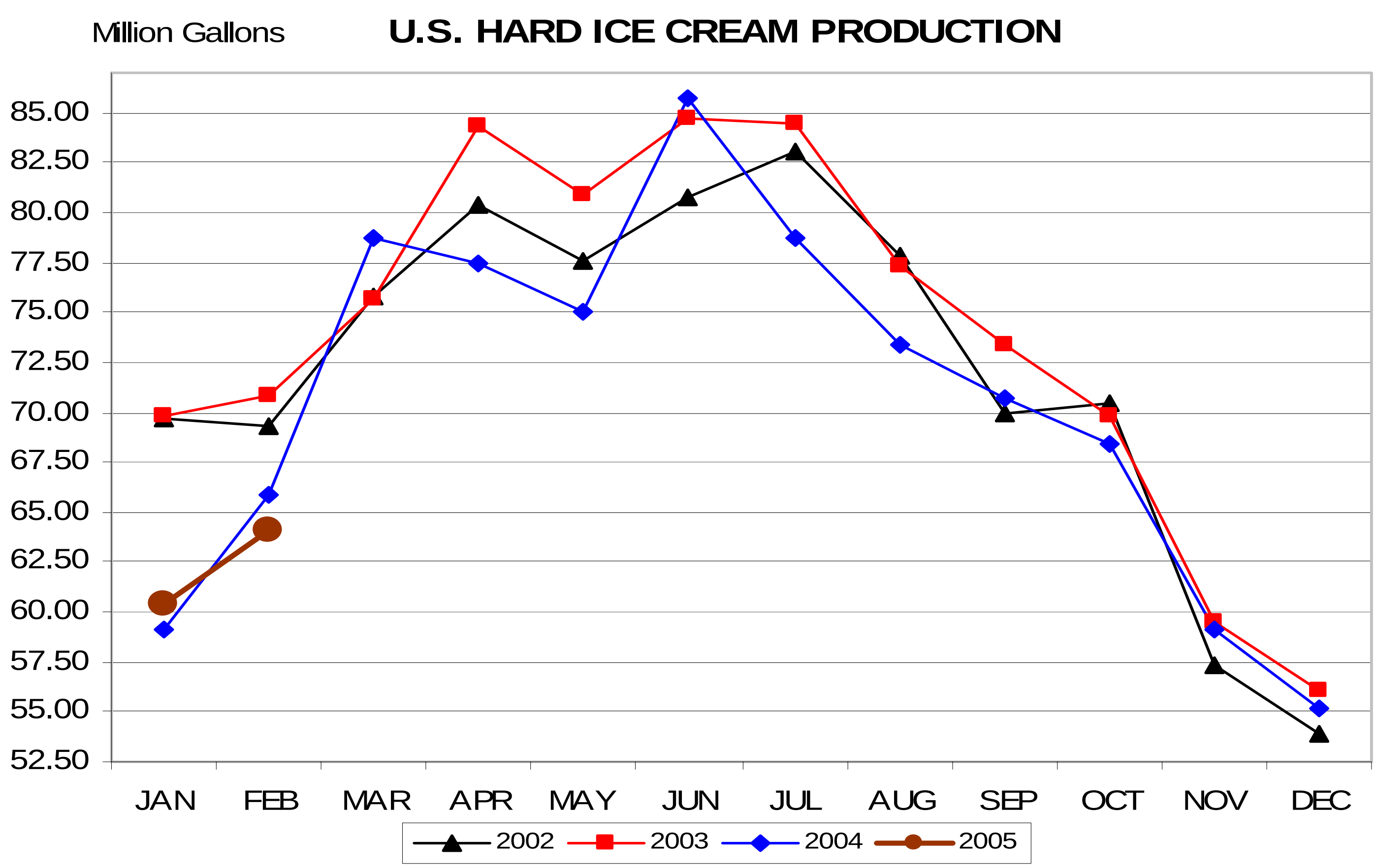
PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, FEBRUARY 2005, WITH COMPARISONS 1/

Area (Order Number)	Sales		Change from: 2/	
	February	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	747	1,562	-0.1	-2.0
Appalachian (005)	266	568	-3.2	-2.8
Southeast (007)	381	803	0.8	0.3
Florida (006)	240	504	0.2	1.1
Mideast (033)	495	1,036	-1.0	-2.7
Upper Midwest (030)	343	728	-0.6	0.4
Central (032)	357	765	-3.3	-2.5
Southwest (126)	329	697	-2.0	-1.8
Arizona-Las Vegas (131) 3/	99	208	-2.8	-0.4
Pacific Northwest (124)	160	348	-4.5	-1.7
California (---)	499	1,046	-1.7	-0.9

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 3/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis; see 4/ above.
3/ The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption of fluid milk processors located in Clark County, Nevada.

SOURCE: Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.


Million Pounds
U.S. BUTTER PRODUCTION
145
140
135
130
125
120
115
110
105
100
95
90
85
80
75
70
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Graph USDA, DMN; Source USDA, NASS
2002 2003 2004 2005


Million Gallons
U.S. HARD ICE CREAM PRODUCTION
85.00
82.50
80.00
77.50
75.00
72.50
70.00
67.50
65.00
62.50
60.00
57.50
55.00
52.50
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
2002 2003 2004 2005

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 4 – 8, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 04/01/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	31,817,269	242,020,111	-0-	704,043,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
TOTAL	-0-	-0-	-0-	31,817,269	241,901,063	-0-	750,434,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 4 - 8, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	-0.1	-7.7
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	52.3	2,815.7
CUMULATIVE JANUARY 1 - APRIL 8, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	26.8	1,466.5

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 4 - 8, 2005 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
REGION	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	7,646,276	4.2	3.2
WEST	-0-	-42,309	-0-	-0-	29,415,099	229,971,013	92.4	95.0
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.8
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	241,901,063	100.0	100.0

NDM SELLBACK TO THE TRADE The cumulative sellback total for 2005 is 0 pounds.

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - $9.90 per cwt.

BUTTER Bulk $1.0500 per pound; 1# Prints $1.0850
CHEESE 40 & 60# Blocks $1.1314 per pound; 500# Barrels $1.1014; Process American 5# $1.1889; Process Am. 2# $1.2289
NONFAT DRY MILK Nonfortified $.8000 per pound; Fortified $.8100; Instant $0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 03/19/05 & Comparable Week 2004

											U.S. TOTAL		% DAIRY OF ALL	
Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.6	N.A.	2.3	14.6	2.8	0.7	N.A.	13.2	2.5	44.1	569.5	49.6	49.5
2004-Dairy	0.1	0.8	N.A.	2.4	18.9	2.5	0.9	N.A.	11.9	3.2	48.5	599.6	51.1	49.9
2005-All cows	0.1	0.7	N.A.	10.3	27.1	10.9	11.2	N.A.	14.1	4.2	89.0	1,150.1		
2004-All cows	0.1	0.8	N.A.	9.8	27.4	12.2	14.7	N.A.	13.2	5.6	94.9	1,201.0		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES,(3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13								
II	13.04	13.36	13.25									
III	14.14	14.70	14.08									
IV	12.52	12.74	12.66									

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmos/mib/cls_prod_cmp_pr.htm